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Next 4 Page(s) In Document Denied

THE NEW YORK TIMES

C.I.A. Said to Overspend Its Budget on Nicaragua

By MARTIN TOLCHIN

Special to The New York Times

WASHINGTON, June 5—The House Intelligence Committee will meet Wednesday to discuss evidence obtained by its staff indicating that the Central Intelligence Agency has spent more than the \$24 million allocated for covert activities in Nicaragua in the current fiscal year, two committee members said today.

The committee then plans to invite William J. Casey, Director of Central Intelligence, to discuss whether the agency has surpassed Congressional limits for the financing, the committee

members said.

"The story is that they have overdrawn," a highly placed committee member said. "They've been transferring accounts in order to be sure that the insurgents could continue on for the rest of the fiscal year."

Another committee member said, "From all the evidence we have, they've overdrawn." He noted the agency's involvement in the mining of Nicaraguan harbors and added, "Funds for the mother ship alone would have done it."

The extent to which the agency had overdrawn its Nicaragua account could not be learned. But one member said

the amount was "significant."

The two committee members said the Senate Intelligence Committee also was looking into reports that the C.I.A. had exceeded Congressional funding limitations in Nicaragua, but this could not be confirmed by members or aides of the Senate committee.

Such charges open a new issue in the already troubled relations Congress has with the agency, which has been criticized by both the House and the Senate intelligence committees for failing to keep Congress "fully and currently informed" of its activities, as required by law.

The charges come at a time of heightened tensions between the Administration and Congress concerning new funds for covert activities in Nicaragua. The Senate approved \$21 million in emergency supplemental money, but the House rejected the aid.

Emergency Aid Bill

The money is contained in a \$1.4 billion emergency aid bill, which also includes \$62 million for El Salvador. The Administration has placed this bill on hold, while it seeks to persuade House Democratic leaders to change their minds on the Nicaraguan aid.

Representative Edward P. Boland, Democrat of Massachusetts, chairman of the House Intelligence Committee, has expressed a willingness to compromise by providing \$4 million to

\$6 million to "wind down" the United States covert involvement in Nicaragua. The Administration has thus far refused to accept any such compromise, however.

On May 24, the House voted, 241 to 177, to reject the Administration's request for the \$21 million to continue aiding the Nicaraguan guerrillas until Oct. 1, the beginning of the new fiscal year. That vote was the House's third party-line vote against United States involvement in the Nicaraguan fighting since last July and demonstrated that the House Democratic leaders were determined to end the covert aid. After that vote, the Administration sought to find ways to continue aiding the guerrillas while lobbying Congress for more money in fiscal 1985.

Anti-Sandinista guerrilla leaders in

Honduras said last week that the Reagan Administration had assured continued support for their efforts to overthrow the Nicaraguan Government. The leaders of the Nicaraguan Democratic Front, which operates primarily in northern Nicaragua and has bases in Honduras, refused to be specific about who gave the assurances.

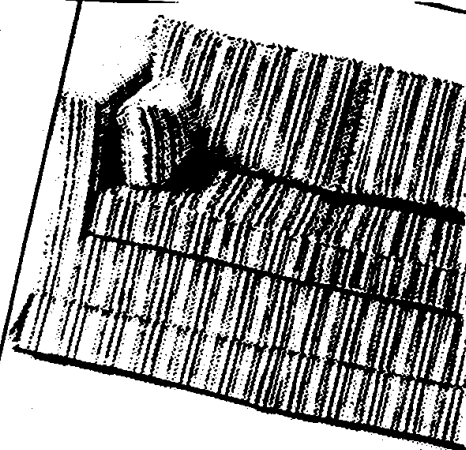
The rebel leaders said President Reagan's public statements had convinced them he was not backing away from his commitment to their cause, and they added that private statements from people in Washington had reinforced Mr. Reagan's comments.

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